

Invoice Discounting User Guide

This guide will help you complete the statement reconciliation in order to operate your facility; please also read the statement reconciliation guide.

Statement Reconciliation

- Any time after the 1st of the month, please email your statement reconciliation and aged debt report to ledgerec.invoicefinance@hsbc.com. If you don't do this by the 15th then your prepayment may be suspended. Please quote your controller's name in the subject field and client account name and number.
- This file will let us know how transactions have affected your aged debt and you need to record it on the statement reconciliation so we can see how the ledger has changed over the month and how the new balance (carried forward) has been arrived at.

To fill in the statement reconciliation each month you only need to complete the green or shaded boxes:

- Your business name and HIF client number
- Month-end aged debt report total, box A
- Excluded and non-notified accounts, box B
- Your HIF statement balance (c/f balance), box D
- Notifications including sales, credit notes, discounts and adjustments, boxes E-I
- Remittances shown on the HIF month-end statement, but not posted to your ADR, box J
- Remittances posted to your ADR but not showing on the HIF month-end statement, box K

Aged Debt Report and Retentions

- Together with the statement reconciliation, we need your aged debt report with any non-notified debt clearly marked which should equal the statement reconciliation.

- The balance of notified debts should equal the closing balance of the statement reconciliation – we will retain any difference from your availability.
- Retentions are items that are not available for pre-payment; a summary of them is available in Internet Invoice Finance (IIF), Payments and Availability click on Retentions. Retentions will be revised once a month after receipt and working of your statement reconciliation and aged debt.
- Concentration – any customer over your concentration limit will be retained / restricted from your availability.
- For finance only clients, an additional over 10% overdue rule may apply.
- Funding limits – if any customers are over their funding limit, please apply via IIF to increase the limit before submitting, otherwise it will be retained until next month's submission.
- Pre-payment will be retained on any debt, which is overdue by 120 days from invoice date.
- Differences or missing items within the statement reconciliation and notifications not claimed for the month they are notified will be queried and retained.
- Any special or audit retentions will also be retained.
- Prepayment on debts which are disputed in any way by your customers will be retained.

Payments Received - IMPORTANT

- Any payments relating to Notified Debts MUST be passed to us instantly by BACS, not via an adjustment.
- BACS/Faster Payments should be made directly to your designated HSBC BACS account.

- Cheques received should be regularly paid in via paying in books left with you. Do not disclose these account details to any customers.
- If a Trust Account is held, this will sweep cleared balances daily.

Notification of Sales Invoices

- All notifications should be made via the Data Entry screen on IIF – enter the gross totals of all invoices, credit notes, debit/credit adjustments and discounts.
- Input total value of batch of notified debts – daily/weekly etc.
- Keep daybooks to support notifications, which will assist at periodic audits.

IMPORTANT – only notify invoices after the goods have been supplied or the service has been carried out.

Useful Contacts

Client Controller

If you have any enquiries relating to the day-to-day activities, particularly the statement reconciliation, please contact your credit controller.

Invoice Finance Manager (IFM)

If you have any enquiries relating to service or funding levels please contact your IFM.

Credit Assessor

Please use IIF for credit limit requests, however if you have any further queries please contact your credit assessor.